



eBackpack, Inc.
2931 Ridge Road
Suite 101-109
Rockwall, TX 75032
Phone: 214.461.0073
Fax: 888.739.9879

December 2, 2013

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Reference: CC Docket No. 02-6

Dear Ms. Dortch:

eBackpack, Inc. respectfully appeals the USAC Administrator's decision to deny the appeal filed by eBackpack on Sep 19, 2013 of the USAC's decision that USAC has the right to selectively impose new, arbitrary, unnecessary and onerous requirements on Service Providers ("SP") before USAC will process invoices (FCC Form 474) requesting reimbursement of the discount amount for approved services.

1. USAC issued a Denial of eBackpack's appeal on October 16, 2013.
2. eBackpack filed an appeal on September 19, 2013 titled "Appeal of Invoicing Auditor decision to require Service Provider to provide cancelled checks from Applicants (Schools/Districts) PRIOR to processing SPI's Form 474."
 - a. The eBackpack appeal contested the decision made by USAC Associate Manager, Invoicing Auditor to require the Service Provider (eBackpack) to obtain and deliver copies of cancelled checks from its customers (the school or district) before processing and evaluating the SP's invoice (FCC Form 474).

- b. eBackpack's appeal quoted from the USAC's own website in two places that make it clear that there is no requirement that the applicant school or district has already paid for the undiscounted portion of the bill prior to the SP being able to file an invoice. This is, seemingly, a new fabrication from someone within the USAC who believes they can create new rules, midway through a funding year, and impose them selectively and unevenly on unlucky victims.
3. It is extremely disappointing and disturbing that the USAC Administrator chose to ignore the subject of the eBackpack appeal. He (or she) decided not to address the substance of the appeal and focus, instead, solely on timing. He ruled that since the information was not submitted within the allotted 7 days, the appeal was denied. He ended with a statement that "when you have gathered the proper documentation, you may submit a new invoice."
- a. The USAC Administrator erred grievously in failing to respond to the substance of eBackpack's appeal. Timing was not an issue in the appeal. The issue being contested was and is – what constitutes "proper documentation?"
 - b. USAC demands information – and imposes a 7 day deadline.
 - c. Service Provider protests that the information demand is inappropriate – saying, in effect, that "we don't have the information and don't think we should have to try to get it." In fact, we did respond within 7 days – discussing the situation with the Auditor and getting advice from her to file with the Ombudsman.
 - d. USAC rules for itself that since the information did not arrive within 7 days, the appeal is denied. No consideration is given to the merits of the substance of the protest – whether or not SP should have to spend time and money trying to get this information in any case.
4. It is important to note that eBackpack filed its objection after the first unreasonable demand. In the following few days, all of its other pending FCC 474 forms were subjected to the same demand for cancelled checks. eBackpack responded by email to the second demand but deferred action on the others while waiting for a fair resolution of our appeal. All of the pending FCC 474 forms were denied.

The following was submitted in the original appeal and should have been considered. We ask that you reverse the USAC Administrator and rule on the merits of the protest.

The USAC website clearly states the following:

USAC can process invoices from either the applicant or the service provider after the following have occurred:

- *USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment;*
- *Services have started (USAC can process invoices for progress payments after review of the contract if it includes a specific payment schedule);*
- *The applicant has submitted, and USAC has successfully processed, an FCC Form 486; and*
- *The service provider has filed an FCC Form 473 for the relevant funding year.*

Clearly, this says nothing about requiring that payment has already been made to the Service Provider before filing for payment from USAC. The USAC website goes on to state:

Invoicing Method #2

You file the [FCC Form 474](#), Service Provider Invoice (SPI) Form if you have billed the applicant for the non-discount amount (the applicant's share of the cost) and want to be reimbursed for the discount amount.

Again there is no requirement that the school has already paid their portion, let alone that they have cancelled checks available or that it is the Service Provider responsibility to procure and forward these documents to USAC. The applicant has already made a certification to USAC that they are responsible for their portion of the bill.

Further support comes from a previous FCC appeal decision (DA 12-1328, dated Aug 10, 2012):

Certifications 10 and 11 of the FCC Form 473 state that any invoices the service provider submits to USAC will be for services that “have been billed” to the applicant and “are based on invoices issued by the service provider” to the applicant. These certifications refer to the billing process, not the payment process, between the service provider and the applicant.

Earlier in that opinion, the USAC had itself asserted that:

According to USAC, it denied the applications because the payment schedule created a mismatch in timing between when USAC and the applicants were obligated to pay the service provider. **Once an FCC Form 486 is filed, the service provider could receive invoice payments from USAC.**

Clearly – both the FCC and USAC have previously acknowledged that it is proper for Service Provider’s to Invoice USAC BEFORE receiving payment from applicants.

To reiterate the objections we registered in the original appeal, the USAC demand

- is arbitrary and not supported by the rules and guidelines posted by USAC.
- unduly delays payment to the Service Provider imposing a financial hardship. Note that the first Form 474 from eBackpack was filed on July 19, 2013 and remains unpaid. All other filings

by eBackpack have, effectively, been forestalled by this process. Thousands of dollars in proper reimbursement to eBackpack have been unduly delayed causing serious and documentable financial harm.

- imposes an unnecessary incredible administrative burden on the Service Provider – ignoring the best source of the information (the applicant) and putting the Service Provider in the middle. The amount of time that would be spent communicating and following up during this process is highly offensive, wasteful and contrary to the spirit and intent of the entire USAC SL program – to help educate our children.

We ask that FCC reverse the USAC decision and rule:

1. That it is wrong for USAC to demand evidence of payment by the applicants (schools or districts) from some Service Providers before processing their Form 474. It is not a requirement that the applicant bill has been paid prior to filing an invoice for reimbursement and it is an abuse of power to unjustly penalize SP's for relying on the published rules. See the excerpted portions of the USAC website and quoted portions of FCC forms below.
2. That it is wrong for USAC to hold payments to Service Providers hostage to compliance by applicants. Service Providers do not have access to applicant bank records. If the USAC wants information that only the applicant can have, the USAC should require the applicant to supply the information directly, rather than put the SP in the middle. The applicant has already certified to USAC that it will pay its invoice as part of the process.
3. That USAC does not have the authority to "change the rules in the middle of the game."
4. That it is wrong for USAC to apply these requirements selectively and arbitrarily. It is not known how many SP's have been subjected to this unfair demand, but it is clearly not all SP's. eBackpack did not suffer this treatment for 2012 or for the first invoice submitted for 2013 (until objection was raised to Auditor Padilla's unreasonable demand). This burden is so onerous and financially burdensome that applying it to selected SP's constitutes unfair discrimination and denial of due process.
5. If USAC wants to apply these requirements to ALL SERVICE PROVIDERS so that it is not unfairly discriminating against selected Providers, it should publicize these requirements and do so before a funding year begins so that applicants and Service Providers can decide whether to participate and prepare for the financial and administrative burden. Hearings should be held and the change should go through formal rules process.

In summary, we ask that you reverse the decisions made by USAC Administrator and Invoicing Department as detailed above. USAC should be admonished and instructed to cease imposing new and arbitrary requirements. USAC personnel should be retrained and counselled regarding fair and impartial treatment and their responsibility to focus on substance rather than form. We trust that our pending and future invoices will be processed promptly and appropriately without bias or further retaliation.

Thank you for your consideration.

Respectfully,

M. Jerry Zilinskas

Chief Financial Officer

eBackpack, Inc.
2931 Ridge Road
Suite 101-109
Rockwall, TX 75032
billing@ebackpack.com
214-461-0073

Attachments

1. Sample USAC Administrator's Decision on Appeal – Funding Year 2013-2014 (Note multiple appeals were all denied for the same reason without regard to the subject of the appeal).
2. eBackpack Revised Appeal of Invoicing Auditor decision to require Service Provider to provide cancelled checks from Applicants (Schools/Districts) PRIOR to processing SPI's Form 47
3. email correspondence between Apple Padilla, USAC and M. Jerry Zilinskas, eBackpack on 9/9/2013 and 9/16/2013
4. email correspondence between Eric Knowlton, USAC and M. Jerry Zilinskas, eBackpack on 9/20/2013
5. Electronic Remittance Statements 3507712_9262013, 35077J1_1042013, 35077J2_1082013

Attachment 1

Jerry Zilinskas
eBackpack Inc.
2931 Ridge Road
Suite 101 - 109
Rockwall, TX 75032

Billed Entity Number: 74073
Form 471 Application Number: 911385
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2013-2014

October 16, 2013

Jerry Zilinskas
eBackpack Inc.
2931 Ridge Road
Suite 101 - 109
Rockwall, TX 75032

Re: Applicant Name: LUTHERAN HIGH SCHOOL NORTH
Billed Entity Number: 74073
Form 471 Application Number: 911385
Funding Request Number(s): 2482388
Your Correspondence Dated: September 19, 2013

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Remittance Statement, a notification of Schools and Libraries Program payments to the service provider, for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2482388
Decision on Appeal: **Denied**
Explanation:

- Invoicing made initial contact with you on Monday 9/9/2013, via e-mail, requesting you to provide a copy of canceled check, both front and back, for the applicant portion for this invoice within 7 days. As of 9/20/13, you failed to provide a complete response to Invoicing. If there is insufficient documentation to determine if the reimbursement request is in compliance with program rules, the reimbursement request may be rejected. You have failed to provide evidence on appeal that USAC erred in its original decision. Consequently, the appeal is denied.

USAC reviews FCC Forms 472 and 474 and makes decisions about the invoices in compliance with FCC rules. To conduct these reviews, USAC has put in place administrative measures to ensure the prompt resolution of invoices. One such measure is that applicants and service providers are required to respond to USAC's requests for the additional information necessary to complete their invoices within 7 days of being contacted (See <http://www.usac.org/sl/applicants/step05/missing-information.aspx>.) This procedure is necessary to prevent undue delays during the invoice review process. If applicants or service providers do not respond within this time period, USAC reviews the invoice based on the information on hand. When you have gathered the proper documentation, you may submit a new invoice.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Richard Senturia

Attachment 2



Revised Appeal of Invoicing Auditor decision to require Service Provider to provide cancelled checks from Applicants (Schools/Districts) PRIOR to processing SPI's Form 474

Jerry Zilinskas <jerry@ebackpack.com>

Thu, Sep 19, 2013 at 10:11 AM

To: appeals@sl.universalservice.org

Bcc: billing@ebackpack.com

Re: SLD Invoice 1870584 (submitted 8/14/13)

Dear Sir:

eBackpack, Inc. respectfully appeals the decision of USAC Associate Manager, Invoicing Auditor Apple Roche Padilla to require the Service Provider (eBackpack, Inc.) to obtain and deliver copies of cancelled checks from its customers (the school or district) BEFORE SHE WILL PROCESS AND AUTHORIZE PAYMENT of the discount amount.

The USAC website clearly states the following:

USAC can process invoices from either the applicant or the service provider after the following have occurred:

- *USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment;*
- *Services have started (USAC can process invoices for progress payments after review of the contract if it includes a specific payment schedule);*
- *The applicant has submitted, and USAC has successfully processed, an FCC Form 486; and*
- *The service provider has filed an FCC Form 473 for the relevant funding year.*

Clearly, this says NOTHING about requiring that payment has already been made to the Service Provider before filing for payment from USAC. This requirement seems to have been added by Ms. Padilla. The USAC website goes on to state:

Invoicing Method #2

You file the [FCC Form 474](#), Service Provider Invoice (SPI) Form if you have billed the applicant for the non-discount amount (the applicant's share of the cost) and want to be reimbursed for the discount amount.

Again – no requirement that the school has already paid their portion, let alone that they have cancelled checks available.

We strongly object to the requirement being imposed by Ms. Padilla for the following reasons:

1. It is arbitrary and not supported by the rules and guidelines posted by USAC.
2. It unduly delays payment to the Service Provider imposing a financial hardship. Note that the Form 474 was filed more than 30 days ago.
3. It imposes an unnecessary incredible administrative burden on the Service Provider (SP) – to comply with her order would put the Service Provider in the middle – trying to get the School/District to contact the school's bank to get cancelled checks, then copy them and send them to the SP who would then have to send them on to Ms.

Padilla. The amount of time that would be spent communicating and following up during this process is highly offensive, wasteful and contrary to the spirit and intent of the entire USAC SL program – the program is not intended to be an administrative quagmire that does nothing to help our children.

We ask that you reverse the decision made by Ms. Padilla and instruct her to process our invoice immediately. We would suggest that you review her other cases as she maintains that this is a regular routine procedure for her.

Thank you for your consideration.

Respectfully,

M. Jerry Zilinskas

Chief Financial Officer

eBackpack, Inc.

billing@ebackpack.com

[214-461-0073](tel:214-461-0073)

Attachment 3



SLD Invoice No 1870584

Padilla, Apple <Apple.Padilla@sl.universalservice.org>
To: eBackpack Billing <billing@ebackpack.com>

Jerry,

You could address both issues with USAC Ombudsman Office.

You could address issues with USAC Ombudsman Office on 'documented requirement of payment by the customer PRIOR to payment by E-Rate.'

Thank you,

Apple Roche Padilla
Associate Manager, Invoicing Auditor
30 Lanidex Plaza West | Parsippany, NJ 07054
T: 973.581.7511 | F: 973.599.6539
apadilla@sl.universalservice.org

From: mjb@ebackpack.com [mailto:mjb@ebackpack.com] On Behalf Of eBackpack Billing
Sent: Tuesday, September 17, 2013 2:46 PM
To: Padilla, Apple
Subject: Re: SLD Invoice No 1870584

Hello Apple,

The issue is that this is a completely inappropriate request to make to a vendor to have to middleman paperwork with a school and creates a tremendous burden on us as you are asking us not have the ability to get ourselves in a time frame that the schools are not able to complete. This should be a request you send direct to the school directly and have to collect from them - man.

Your inability to show us where this is explained in the process further shows it is a completely inappropriate request given the extent of documented processed by E-Rate.

We will contact the Ombudsman Office on the first part of your request.

We furthermore do not see where there is any documented requirement of payment by the customer PRIOR to payment by E-Rate. The customers have already contractually committed to that they will make payment to us. Please point us to this documentation.

Thank you,

eBackpack
www.eBackpack.com

p: 214.461.0073

f: 888.739.9879

On Tue, Sep 17, 2013 at 11:22 AM, Padilla, Apple <Apple.Padilla@sl.universalservice.org> wrote:

Jerry,

This is a normal procedure for requests of this nature.

Provision of the cancelled checks by the applicant ensures that the payments have been made and saves verification time. The applicant's version will demonstrate that you actually received it.

We are unable to pin point specific mention of the related issue on the website but you are free to contact USAC Ombudsman Office with questions.

However, if you are unable to provide the canceled check the following option is available:

1. Copy of the un-cancelled check and BOTH the applicant and the service provider's bank statements (together with deposit detail, if needed to show the transaction check) to demonstrate that the check was deposited, processed and cleared.

OR

2. Copy of the un-cancelled check along with the related deposit detail from the bank (together with deposit detail, if needed to show the transaction of interest, as p demonstrate that the check was deposited and processed). USAC will accept this documentation from the applicant or service provider.

Please provide this information to me as soon as possible within the next 2 calendar days (by End of Day [Thursday], [09/19/13]). Failure to do so may result in a reduction or rejection of your request. In this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me within the next 2 calendar days.

Thank you for your cooperation and continued support of the Universal Service Program.

Apple Roche Padilla
Associate Manager, Invoicing Auditor
30 Lanidex Plaza West | Parsippany, NJ 07054
T: 973.581.7511 | F: 973.599.6539
apadilla@sl.universalservice.org

From: jerry@ebackpack.com [<mailto:jerry@ebackpack.com>] **On Behalf Of eBackpack Billing**
Sent: Monday, September 16, 2013 9:55 AM

To: Padilla, Apple
Subject: Re: SLD Invoice No 1870584

Dear Apple,

After our phone conversation a few days ago regarding the need for cancelled checks from the applicant schools, I went back to search again through all of the material that I could find on the Erate program and all the forms and certifications. I could not find any statement anywhere that identifies a need for the service provider to obtain this kind of documentation. My superior w manager to point out to us the portion of the regulations or rules that requires this as it creates an undue burden on a vendor to have to coordinate with a school to get copies of canceled checks from the school within any amount of time - let alone the period of time you specify. It seems unreasonable that we should have to provide proof of customer payment to that level.

It is quite uncomfortable for the Service Provider to be put in a position of asking the School or District personnel to have their accounting department contact their bank and obtain a copy of check(s) proving payment to us. The requirement that they do so within a few days just complicates the process and makes it less likely to be completed successfully within the time frame.

We would appreciate your help in identifying where this requirement is delineated and, perhaps, the purpose served. It would seem to be more straightforward and sensible for USAC to require the applicant to provide this information directly if necessary to insure that they are complying with their obligations. Withholding or delaying payment to a Service Provider who has provided the contracted services is contrary to the spirit and intent of the ERATE program as well as the rules that have been laid out -- at least so far as we are able to determine.

Additionally, the schools have already had to certify to you that they are paying for their services and receiving the services -- the payment to a Service Provider from USAC should not be dependent on the school or district's internal Accounts Payable processes.

Thank you for your consideration. We are eager to hear back from you or your management.

eBackpack
www.eBackpack.com

p: 214.461.0073

f: 888.739.9879

On Mon, Sep 9, 2013 at 11:15 AM, Padilla, Apple <Apple.Padilla@sl.universalservice.org> wrote:

Jerry Zilinskas,

Additional information is required for Invoice 1870584.

We will also require copy of canceled check, both front and back, for the applicant portion for this invoice. If the canceled check includes other payments, a distinct breakout must be provided for payment for this particular invoice. If your financial institution does not retain canceled checks as proof of payment or you used other methods, please provide other documentation. Documentation must clearly show whose account provided the money and to whose account it was deposited based on third party (i.e. bank) documentation.

The applicant may fax/e-mail the above information to me directly, which may speed up the review process. Please include the SLD Invoice Number on the fax/e-mail cover sheet to your form. For fax submissions, the cover sheet must identify the organization and the name/title/signature of the sender in addition to the SLD Invoice Number.

Please provide this information to me as soon as possible within the next 7 calendar days (by **End of Day** [Monday], [09/16/13]). Failure to do so may result in a reduction or rejection of your request. In this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me within the next 2 calendar days.

Thank you for your cooperation and continued support of the Universal Service Program.

Apple Roche Padilla
Associate Manager, Invoicing Auditor
30 Lanidex Plaza West | Parsippany, NJ 07054
T: 973.581.7511 | F: 973.599.6539
apadilla@sl.universalservice.org

From: jerry@ebackpack.com [mailto:jerry@ebackpack.com] On Behalf Of eBackpack Billing
Sent: Wednesday, August 21, 2013 9:17 AM
To: Padilla, Apple
Subject: Re: SLD Invoice No 1870584

Dear Apple,

The following information is submitted, as requested, in support of Form 474 SPI # 1870584:

- a. A completed Worksheet in your format for each School or District (5).
- b. A copy of the invoice sent to each School or District (5).
- c. A copy of the signed contracts for each School or District -- each contract references the Terms of Service
- d. An extract (for your convenience) from the Terms of Service that specifically relates to Erate customers -- this shows that each contract has specific terms requiring Payment due as of Ju
- e. A copy of the entire Terms of Service that are incorporated by reference into each contract.

If you have any questions, please don't hesitate to contact me.

Thank you.

Jerry Zilinskas

eBackpack
www.eBackpack.com

p: 214.461.0073

f: 888.739.9879

On Tue, Aug 20, 2013 at 3:23 PM, Padilla, Apple <Apple.Padilla@sl.universalservice.org> wrote:

Jerry Zilinskas,

This is in regards to:

SLD Invoice No	SP_App Invoice No	Line ID	Customer Billed Date	Customer Ship Date	471	FRN	SPIN	Service Provider Name	Applicant Name	BEN
1870584	E2013-002	6275348	01-Jul-13		924263	2522462	143035077	eBackpack Inc	FOREST LAKE ACADEMY	35791
1870584	E2013-002	6276100	01-Jul-13		895809	2443952	143035077	eBackpack Inc	LA SALLE HIGH SCHOOL	16060837
1870584	E2013-002	6276105	01-Jul-13		911385	2482388	143035077	eBackpack Inc	LUTHERAN HIGH SCHOOL NORTH	74073
1870584	E2013-002	6276108	01-Jul-13		911390	2482440	143035077	eBackpack Inc	LUTHERAN HIGH SCHOOL SOUTH	74115
1870584	E2013-002	6276132	01-Jul-13		913359	2489189	143035077	eBackpack Inc	SOUTHAMPTON UN FREE SCH DIST	124030

I am reviewing your request for reimbursement of the aforementioned Invoice.

Please send:

1. The undertest you used to summarize the bill(s) by month/ account number, as applicable. (A sample suggested undertest is attached.)

- I. The worksheet you used to summarize the bill(s) (by month/ account number, as applicable). [A sample suggested worksheet is attached.]

It must clearly indicate:

- i. Total current charge per bill,
 - ii. Itemized identification and removal of all ineligible products and services,
 - iii. Calculation of the Undiscounted/Requested amounts requested.
- II. If the invoice is for deposits or up-front charges for services, please include a copy of the full contract that supports those charges.

*If the request for reimbursement for each FRN per Invoice is comprised of **less than 20 bills** (sub-bills and sub accounts may contribute to this figure):*

Please ALSO send me a copy of the detailed bill(s) sent to the applicant for the products/services requested on this invoice. Please ensure that the provided page(s)

- I. Substantiates and clearly correlates the worksheet AND
- II. Indicates the following:
 - i. Bill Date
 - ii. Service Provider Name
 - iii. Bill-To Entity (Name & Address)
 - iv. Current Charges
 - v. Period of Service
 - vi. Description of Products / Services Delivered

Upon receipt of the documents by the SLD, you MAY be required to provide additional details of the bill(s) to verify the worksheet.

*If the request for reimbursement for each FRN per Invoice is comprised of **more than 20 bills** (sub-bills and sub accounts may contribute to this figure):*

- I. Please submit ONLY the worksheet mentioned above and
- II. The completed worksheet certification form (attached) to certify the accuracy of the worksheet.
- III. Upon receipt of the worksheet by the SLD, you will be required to provide either all the bills or a sampling of bills (selected by SLD) to verify the worksheet.

Please provide this information to me as soon as possible within the next 7 calendar days (by **End of Day** [Tuesday], [08/27/13]). Failure to do so may result in a reduction or rejection of this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me within this 7 day period.

Thank you for your cooperation and continued support of the Universal Service Program.

Apple Roche Padilla
Associate Manager, Invoicing Auditor
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T: 973.581.7511 | F: 973.599.6539
apadilla@sl.universalservice.org

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Attachment 4



E Rate Invoice E2013-003 Our Invoice 1875047

eBackpack Billing <billing@ebackpack.com>

To: "Knowlton, Eric" <Eric.KNOWLTON@sl.universalservice.org>

Bcc: eBackpack Billing <billing@ebackpack.com>, ffcrm@ebackpack.org, Jerry Zilinskas <jerry@ebackpack.com>

Fri,

Dear Eric,

We object to this requirement. The website clearly states the requirements for Service Providers to file a Form 474 invoice for reimbursement of the USAC portion of the charges. The requirement having already received payment from the school / district.

Asking us for cancelled checks is not appropriate. We would never have access to cancelled checks. If you want to ask the school or district for this information in order to verify that they are obligated to pay the Service Provider, that would be consistent with the program. However, to delay or deny reimbursement to the Service Provider because we do not have cancelled checks available to us in the normal course of business is onerous and unduly burdensome. You are much more likely to get this information from the school than we are. It is not fair or appropriate.

The USAC website clearly states the following:

USAC can process invoices from either the applicant or the service provider after the following have occurred:

- *USAC has issued a Funding Commitment Decision Letter (FCDL) with a positive funding commitment;*
- *Services have started (USAC can process invoices for progress payments after review of the contract if it includes a specific payment schedule);*
- *The applicant has submitted, and USAC has successfully processed, an FCC Form 486; and*
- *The service provider has filed an FCC Form 473 for the relevant funding year.*

Clearly, this says NOTHING about requiring that payment has already been made to the Service Provider before filing for payment from USAC. All of the above requirements have website goes on to state:

Invoicing Method #2

*You file the **FCC Form 474**, Service Provider Invoice (SPI) Form if you have billed the applicant for the non-discount amount (the applicant's share of the cost) and want to be reimbursed for the discount amount.*

Again – no requirement that the school has already paid their portion, let alone that they have cancelled checks available.

We strongly object to this request for the following reasons:

1. It is arbitrary and not supported by the rules and guidelines posted by USAC.
2. It unduly delays payment to the Service Provider imposing a financial hardship.
3. It imposes an unnecessary incredible administrative burden on the Service Provider (SP) – to comply with this order would put the Service Provider in the middle – trying to get the School's bank to get cancelled checks, then copy them and send them to the SP who would then have to send them on to you. The amount of time that would be wasted on numerous trips during this process is highly offensive, wasteful and contrary to the spirit and intent of the entire USAC E-rate program – the program is not intended to be an administrative quagmire that hinders children.

We ask that you rescind this request for information that would never be available to us and process our invoice immediately.

Thank you for your consideration.

M. Jerry Zilinskas

Chief Financial Officer

eBackpack
www.eBackpack.com
p: 214.461.0073
f: 888.739.9879

On Fri, Sep 20, 2013 at 10:50 AM, Knowlton, Eric <Eric.KNOWLTON@sl.universalservice.org> wrote:

For FRNs 2471594,2450308,2525660

We will also require copy of canceled check, both front and back, for the applicant portion for this invoice. If the canceled check includes other payments, a distinct breakout in order to validate payment for this particular invoice. If your financial institution does not retain canceled checks as proof of payment or you used other methods, please provide documentation that validates payment. Documentation must clearly show whose account provided the money and to whose account it was deposited based on third party (i.e. documentation).

Please provide this information to me as soon as possible within the next 7 calendar days (by **End of Day Friday, 9/27/13**). Failure to do so may result in a reduction or rejection without further request. In this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me during this period.

Thank you for your cooperation and continued support of the Universal Service Program.

From: jerry@ebackpack.com [mailto:jerry@ebackpack.com] On Behalf Of eBackpack Billing
Sent: Tuesday, August 27, 2013 4:34 PM
To: Knowlton, Eric

Subject: Re: E Rate Invoice E2013-003 Our Invoice 1875047

Dear Eric,

Thank you for processing our invoice. The following information is attached in support of our invoice #1875047:

1. Worksheets in your format for each account (Echols County, St. Pius X, Lake-Lehman, and Regis Catholic),
2. Invoice sent to each account
3. Contract for accounts that specifies that our Terms of Service apply -- which specifies that payment is due upfront
4. Extract from our Terms of Service which details that upfront payment is due
5. A copy of our complete Terms of Service in case you want the entire document
6. Executed certification form

If you need anything else or have any questions, please feel free to contact me.

Thank you for your prompt attention to our application for payment.

eBackpack

www.eBackpack.com

p: 214.461.0073

f: 888.739.9879

On Tue, Aug 27, 2013 at 10:00 AM, Knowlton, Eric <Eric.KNOWLTON@sl.universalservice.org> wrote:

SLD Invoice No	SP_App Invoice No	Line ID	Customer Billed Date	471	FRN	SPIN	Service Provider Name	Applicant Name	BEN	Undiscou Amt
1875047	E2013-003	6287657	01-Jul-13	925364	2525660	143035077	eBackpack Inc	REGIS CATHOLIC SCHOOLS	208449	
1875047	E2013-003	6287568	01-Jul-13	881744	2456555	143035077	eBackpack Inc	ECHOLS COUNTY BOARD OF EDUCATION	127497	
1875047	E2013-003	6287633	01-Jul-13	886797	2450308	143035077	eBackpack Inc	LAKE-LEHMAN SCHOOL DISTRICT	126007	1
1875047	E2013-003	6287615	01-Jul-13	903167	2471594	143035077	eBackpack Inc	ST PIUS X SCHOOL	86273	

I am reviewing your request for reimbursement of the aforementioned Invoice.

Please send:

- I. The worksheet you used to summarize the bill(s) (by month/ account number, as applicable). [A sample suggested worksheet is attached.]

It must clearly indicate:

- i. Total current charge per bill,
- ii. Itemized identification and removal of all ineligible products and services,
- iii. Calculation of the Undiscounted/Requested amounts requested.

- II. If the invoice is for deposits or up-front charges for services, please include a copy of the full contract that supports those charges.

If the request for reimbursement for each FRN per Invoice is comprised of **less than 20 bills** (sub-bills and sub accounts may contribute to this figure):

Please ALSO send me a copy of the detailed bill(s) sent to the applicant for the products/services requested on this invoice. Please ensure that the provided page(s)

- I. Substantiates and clearly correlates the worksheet AND
- II. Indicates the following:

- i. Bill Date

- i. Bill Date
- ii. Service Provider Name
- iii. Bill-To Entity (Name & Address)
- iv. Current Charges
- v. Period of Service
- vi. Description of Products / Services Delivered

Upon receipt of the documents by the SLD, you MAY be required to provide additional details of the bill(s) to verify the worksheet.

*If the request for reimbursement for each FRN per Invoice is comprised of **more than 20 bills** (sub-bills and sub accounts may contribute to this figure):*

- I. Please submit ONLY the worksheet mentioned above and
- II. The completed worksheet certification form (attached) to certify the accuracy of the worksheet.
- III. Upon receipt of the worksheet by the SLD, you will be required to provide either all the bills or a sampling of bills (selected by SLD) to verify the worksheet.

Please provide this information to me as soon as possible within the next 7 calendar days (by **End of Day** Tuesday, 9/3/13). Failure to do so may result in a reduction or rejection of the ir request. In this event, please ensure you have all necessary documents collected before resubmitting your request. If you have any questions, please contact me within this 7 day period.

Thank you for your cooperation and continued support of the Universal Service Program.

Eric Knowlton

Associate Manager, Invoicing Team

30 Lanidex Plaza West | Parsippany, NJ 07054

T: 973.581.5357 F: 973.599.6539

eknowlt@sl.universalservice.org

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Attachment 5

35077I2_9262013.docx

143035077|eBackpack

Inc|mjz@ebackpack.com|usacstatement@universalservice.org|C000578194|5|0.00|9/26/2013|N

143035077|2522462|E2013-002|0.00|"SLD Invoice Number:1870584;Line Item Detail
Number:6275348;Amount Requested:469.80;Payment of Applicant Portion Not Validated;356;"

143035077|2443952|E2013-002|0.00|"SLD Invoice Number:1870584;Line Item Detail
Number:6276100;Amount Requested:174.00;Payment of Applicant Portion Not Validated;356;"

143035077|2482388|E2013-002|0.00|"SLD Invoice Number:1870584;Line Item Detail
Number:6276105;Amount Requested:815.63;Payment of Applicant Portion Not Validated;356;"

143035077|2482440|E2013-002|0.00|"SLD Invoice Number:1870584;Line Item Detail
Number:6276108;Amount Requested:1000.50;Payment of Applicant Portion Not Validated;356;"

143035077|2489189|E2013-002|0.00|"SLD Invoice Number:1870584;Line Item Detail
Number:6276132;Amount Requested:2241.12;Payment of Applicant Portion Not Validated;356;"

35077J1_1042013.docx

143035077|eBackpack

Inc|mjz@ebackpack.com|usacstatement@universalservice.org|C000579261|3|0.00|10/3/2013|N

143035077|2471594|E2013-003|0.00|"SLD Invoice Number:1875047;Line Item Detail
Number:6287615;Amount Requested:326.25;Payment of Applicant Portion Not Validated;356;"

143035077|2450308|E2013-003|0.00|"SLD Invoice Number:1875047;Line Item Detail
Number:6287633;Amount Requested:4880.70;Payment of Applicant Portion Not Validated;356;"

143035077|2525660|E2013-003|0.00|"SLD Invoice Number:1875047;Line Item Detail
Number:6287657;Amount Requested:348.00;Payment of Applicant Portion Not Validated;356;"

35077J2_1082013.docx

143035077|eBackpack

Inc|mjz@ebackpack.com|usacstatement@universalservice.org|C000579806|2|0.00|10/7/2013|N

143035077|2482135|E2013-004|0.00|"SLD Invoice Number:1883146;Line Item Detail
Number:6312096;Amount Requested:1105.34;Incomplete documents provided for
review;1239;"

143035077|2517083|E2013-004|0.00|"SLD Invoice Number:1883146;Line Item Detail
Number:6312097;Amount Requested:2241.12;Incomplete documents provided for
review;1239;"